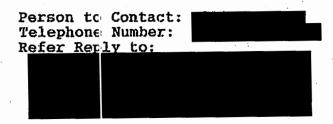
INTERNAL REVENUE SERVICE

Department of the Treasury

District Director





Date:AUG 12 1992

Dear Applicant:

We have considered your application for recognition of exemption from Federal Income Tax under Section 501(c)(6) of the Internal Revenue Code.

The information submitted disclosed that you were incorporated on

Your organization is an association of licensed dealers in the trademark. The name "which is a registered trademark was purchased from tor the association now includes active associates. The members of the association are composed of automotive varehouse/aftermarket parts distributors who have been approved for membership by a majority of the Board of Directors, and have met the eligibility requirements as specified in Article II, Section 1 of your By-laws.

Association works for the benefit of its members.

You stated in the application for recognition of exemption that the association's key goals are: "to keep members competitive in their local market, to assure member warehouse distributors are informed through mail communications and membership conventions to help members and their customers effectively advertise, to expand the National Warranty Program and to expand national name brand products and "private label parts because warehouse distributors, jobbers, and service dealers need both to meet competitive situations in their markets."

少人也是特色的。 1967年11月1日 - 1967年 The activities of your organization include: talking to manufacturers to determine if product lines meet "specifications for endorsement by the Product committee; approving advertising programs on ESPN and in national trade publications: establishing signage, wearable, and graphics programs; formalizing and attending trade conventions to increase public awareness of what "has to offer.

Section 501(c)(6) of the Internal Revenue Code provides for exemption of "business leagues, chambers of commerce, real estate boards, boards of trade, or professional football leagues (whether or not administering a pension fund for football players), not organized for profit and not part of the net earnings of which inures to the benefit of any private shareholder or individual."

Section 1.501(c)(6)-1 of Income Tax Regulations reads as follows:

"BUSINESS LEAGUES, CHAMBERS OF COMMERCE, REAL ESTATE BOARDS AND BOARDS OF TRADE (A business league is an association of persons having some common business interest, the purpose of which is to promote such common incerest and not to engage in a regular business of a kind ordinarily Fearried on for profit. It is an organization of the same general class as a chamber of commerce or board of trade. Thus, its activities should te directed to the improvement of business conditions of one or more line. ∞I business as distinguished from the performance of particular services for individual persons. An organization whose purpose is to angage in regular business of a kind ordinarily carried on for profit, even though the business is conducted on a cooperative basis or produces only sufficient income to be self-sustaining, is not a business league. An association engaged in furnishing information to prospective investors, to enable them to make sound investments, is not a business league, since its activities do not further any common business interest, even though all of its income is devoted to the purpose stated. A stock or commodity exchange is not a business league, a chamber of commerce, or a board of trade within the meaning of Section 501(c)(6) and is not exempt from tax. Organizations otherwise exempt from tax under this section are taxable upon their unrelated business taxable income. sections 511 to 515, inclusive and the regulations thereunder".

Rev. Rul. 58-294, 1958-1 C.B. 244, held that an association of licensed dealers in a certain type of patented product did not qualify as a business league where the association owned the controlling interest in the corporation holding the basic patent, was engaged mainly in furthering the business interests of its member dealers, and did not benefit people who manufactured competing products of the same type covered by the patent.

Rev. Rul. 70-80, 1970-1 C.B. 130, held that a nonprofit trade association of manufacturers whose principal activity is the promotion of its members products under the association's registered trademark does not qualify for exemption under Section 501(c)(6) of the Code.

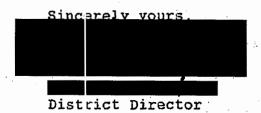
Because your organization is similar to those described in Rev. Rul. 58-294 and Rev. Rul. 70-80, supra, your organization does not qualify for exemption under Section 501(c)(6) of the Code.

If you do not agree with these conclusions, you may within 3C days from the date of this letter, file a brief of the facts, law and arguments (in duplicate) which clearly sets forth your position. In the event you desire an oral discussion of the issues, you should so indicate in your submission. A conference will be arranged in the Regional office after you have submitted your brief to the Chicago District Office and we have had an opportunity to consider the brief and it appears that the conclusions reached are still unfavorable to you. Any submission must be signed by one of your principal officers. If the matter is to be handled by a representative, the Conference and Practice Requirements regarding the filing of a power of attorney and evidence of enrollment to practice must be met. We have enclosed Publication 892, Exempt Organization Appeal Procedures for Adverse Determinations, which explains in detail your rights and procedures.

You are required to file Federal Income Tax Returns.

Please keep this determination letter in your permanent records.

If you agree with this determination, please sign and return the enclosed Form 6018.



Enclosures: Publication 892 Form 6018